



84TH BOARD OF SUPERVISORS MEETING

DATE: 28 MARCH 2023 09:00 – 13:30 CET

LOCATION: VIDEOCONFERENCE

FINAL MINUTES

WELCOME AND INTRODUCTORY REMARKS BY THE EIOPA CHAIRPERSON

1. The Chairperson welcomed the attendees to the 84th meeting of EIOPA's Board of Supervisors (BoS).

AGENDA ITEM 1: ADOPTION OF THE AGENDA

DECISION

2. BoS adopted the agenda by consensus of all voting members.

CONCLUSIONS AND ACTION POINTS

3. The Chairperson concluded that there is no BoS Member that has an interest that could be considered prejudicial to their independence with regard to any item of the adopted agenda following declaration by all BoS Members of absence of any such interests.

AGENDA ITEM 2: UPDATES BY CHAIRPERSON, EXECUTIVE DIRECTOR, AND COM

UPDATES BY THE CHAIRPERSON

4. The Chairperson updated the BoS Members on the following topics:

EIOPA EASTERN COOPERATION CONFERENCE

5. On 22 March 2023, EIOPA successfully hosted the Eastern Cooperation Conference bringing together 13 non-EEA (from the Eastern Europe and Western Balkan) with 11 EEA National Competent Authorities (NCAs), the European Commission (COM), the International Monetary Fund (IMF), the World Bank, and academics. The conference was dedicated to emerging risks, regulatory developments, and supervisory capacity building in this region.

6. Following the very good exchanges in the context of the Eastern Cooperation Conference, EIOPA will pave the way for future cooperation, starting by reassessing the professional secrecy regime on Ukraine, followed by other Eastern and Western Balkan jurisdictions.
7. This event will become a permanent EIOPA Conference alternating with the Global Insurance Supervision Conference every year.

ANNUAL UPDATE OF INDIVIDUAL DECLARATION OF INTERESTS (DOI)

8. On 1 March 2023, EIOPA launched the exercise for the submission of the 2023 Declaration of Interests (DOI) of the Board of Supervisors Members with the deadline of 16 March 2022.
9. The individual DOIs will be published on EIOPA's website.

BOARD OF APPEAL – EXTENSION OF MANDATE FOR ONE MEMBER

10. In April 2023 the first 5-year mandate of the Prof. Michele Siri, member of the Board of Appeal of the European Supervisory Authorities, will come to an end. His mandate can be extended for another 5 years, according to Article 58 (4) of the EIOPA Regulation. A written procedure with the Management Board (Article 58(3)) will be launched for the extension of his mandate. Prior to the launch of the written procedure the BoS will be consulted for any comments.

STAKEHOLDER GROUP MEETINGS UPDATES

11. On 23 March 2023, the Occupational Pensions Stakeholder Group (OPSG) held its meeting where the following topics were discussed: i) OPSG advice to EIOPA on Greenwashing, ii) the EIOPA IORPII review and iii) own-initiative work on PEPP such as work on identifying obstacles for cross-border PEPPs and on the potential for setting up a PEPP – Personal European second pillar pension product, and the work on Gender Pension Gap. Also, the revised report on inflation impact on occupational pensions was presented.

INTERNATIONAL DEVELOPMENTS

12. The Financial Conduct Authority (FCA) established a temporary permissions regime (TPR) to enable relevant EEA-based insurers and intermediaries operating in the UK at the end of the Brexit transition period to continue operating in the UK.
13. In the recent paper published by FCA, three new formal categories of branches were identified, of which one defines reverse branches as having only EEA customers.
14. The present FCA approach, and particularly in respect to reverse branches, is not in line with the recent EIOPA Supervisory Statement on arrangements in third countries
15. EIOPA notified the European Commission thereof. A coordinated EU approach is needed.

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS – RISK BASED SOLVENCY IMPLEMENTATION FORUM

- 16.
17. The Chairperson mentioned the work of the IAIS Risk Based Implementation Forum. The Forum plans to develop guidance for EMDE supervisors on practical aspects of implementing an RBS regime (covering quantitative, qualitative and disclosure components of RBS, as well as procedural aspects of managing the transition). This will include case studies focusing on existing RBS frameworks – namely Solvency II.
18. Members were invited to give particular attention to IAIS Risk Based Solvency Implementation Forum in view of EU representation, experience, and knowledge in the Forum.

MACRO ECONOMIC DEVELOPMENTS

19. EIOPA in cooperation with the ESRB, EBA, and ESMA, is closely monitoring the developments on the market and any potential contagion risks and potential implications for the European insurance and IORP industries.
20. Preliminary information indicates that direct exposures to the US regional banks in general and SVB in particular, appear contained. EIOPA will keep monitoring the situation through the RFSC.

SUSTAINABLE FINANCE - STAFF PAPER ON NATURE-RELATED RISKS AND IMPACTS FOR INSURANCE

21. EIOPA published a staff paper on sustainable finance focusing on nature-related risks and impact for insurance. The paper includes a summary of EIOPA's previous work done in conceptual papers from, among others, the Sustainable Insurance Forum (SIF) and the Network for Greening the Financial Sector (NGFS), setting out a framework to identify the key areas to be addressed in the treatment of nature-related risks and impacts in the insurance sector.
22. This first step will inform EIOPA's future initiatives which will aim at identifying relevant data sets and tools for risk assessments.

GLOBAL MONEY WEEK

23. The Global Money Week (GMW) took place from 20 and 26 March 2023 focusing on financial education. A dedicated section encouraging discussion on pension and insurance has been published on EIOPA's website. It was well visited during GMW and continue to be available for teachers and other interested parties.

UPDATES BY THE EXECUTIVE DIRECTOR (ED)

24. The ED updated the BoS Members on the following topics:

FINANCIAL SERVICES COMMITTEE (FSC)

25. On 15 March 2023, the Financial Services Committee (FSC) held a virtual meeting at which EIOPA provided its regular quarterly update on financial risks for the insurance and pensions sector. In the meeting, the discussion also touched upon the recent banking crisis and preliminary assessments of its impact on the EU financial sector.

EURO CYBER RESILIENCE BOARD FOR PAN-EUROPEAN FINANCIAL INFRASTRUCTURES (ECRB)

26. On 8 March 2023, EIOPA attended the Euro-Cyber Resilience Board for pan-European Financial Infrastructure (ECRB). This is a forum, chaired by the European Central Bank (ECB), for strategic discussions between financial market infrastructures aiming at i) raising awareness of the topic of cyber resilience, ii) catalysing joint initiatives to develop solutions, iii) sharing best practices and foster trust and collaboration. (Please see its [mandate](#)).

ESA'S HIGH-LEVEL CONFERENCE ON GENDER EQUALITY: ARE WE ON THE RIGHT TRACK?

27. On 7 March 2023 a second high-level conference on 'Gender equality: where are we and where are we going?' was held. This followed on the success of the 2022 edition, checking whether the ESAs were on the right track. The conference was open to all staff of the three ESAs and was streamlined via YouTube.

HIGH-LEVEL INSTITUTIONAL MEETINGS

28. On 7 March 2023, a meeting with the European Ombudsman, Ms Emily O'Reilly, took place. The discussion mainly focused on conflict of interest (revolving doors) and transparency, where EIOPA's enhanced transparency at publishing BoS voting results on regulatory matters was positively noted.

INSURANCE DISTRIBUTION DIRECTIVE (IDD)

29. On 9 -10 March 2023, the event "Five Years of the Insurance Distribution Directive (IDD) – Time to Take Stock" took place marking half of decade of application. The event was well attended with around 500 participants and covered four relevant topics: i) digitalisation and new distribution models; ii) emergence of more sustainable insurance products and integration of sustainability factors, risks and preferences into the IDD; iii) issues related to the practical application of the IDD; and iv) quality of advice and selling methods. The event will feed the report EIOPA is preparing on an annual basis.

CROSS BORDER NOTIFICATION (CBN) PLATFORM

30. The operations of the CBN Platform started on 1 February 2023 and on 23 March a first meeting with the CBN Forum of Users took place. The Members were reminded and invited to use the platform in all cross-border communication ensuring the full implementation of the tool.

UPDATE ON PEER REVIEW

31. The ED informed the BoS of the final assessment and procedural stages in relation to the POG Peer Review, as well as that EIOPA launched a Peer review on Prudent Person Principle with a completion deadline by 5 May 2023.

GOVERNANCE: VOTING TOOL

32. EIOPA has put in place a new voting tool, designed to streamline the voting process for all meeting modalities and written procedures.

UPDATE BY THE EUROPEAN COMMISSION (COM)

33. The COM representative informed the BoS Members on the following business files:

SOLVENCY II REVIEW PACKAGE

34. Negotiations under the Swedish presidency is less likely to take place. Trialogues can start once the European Parliament (EP) has agreed on its position. The date for a vote of the legislative proposal in the ECON is still to be decided.
35. Further discussions on the Level 2 at expert group level are currently on hold to avoid interference with the process in the EP.
36. The EU Council agreed upon its negotiation mandate regarding IRRD on 20 December 2022. The Council compromise text largely followed the COM proposal. Most material amendment introduced by the Council concerns the scope of the recovery and resolution planning, the request that each MS shall establish one or more financing arrangements to fund resolution and also changes in relation to the application of some of the elements of the resolution tools. Discussions are currently taking place at the EP level. It is expected that IRRD and SII will be treated as a package and negotiated together in the trialogues.

RETAIL INVESTMENT STRATEGY

37. COM has finalised the Impact Assessment (IA). Work is ongoing to finalise the legislative proposal with a targeted date for adoption in May 2023.

DECISION

38. Not applicable.

CONCLUSIONS AND ACTION POINTS

39. Not applicable.

AGENDA ITEM 3: GREENWASHING CALL FOR ADVICE

40. The Head of the Consumer Protection Department presented the draft progress report on greenwashing.
41. The presentation highlighted the main issues reported in relation to greenwashing as gathered through the Joint ESAs Call for Evidence, the survey to NCAs as well as interviews with stakeholders. It also outlined the work carried out so far, including where greenwashing occurs in the insurance and pensions lifecycle, as well as work undertaken jointly with EBA and ESMA such as the ESAs common understanding of greenwashing. Members expressed support of the work carried out so far and of the content of the draft progress report.
42. Members also noted that there is disagreement amongst the ESAs as to whether sustainability risks claims – which are not impact related – fall within or outside of the scope of greenwashing. Several members expressed their view that sustainability risk claims form part of risk management disclosures and, hence are out of the scope of greenwashing, some Members did see a challenge for ESMA considering it has a different mandate than EIOPA. It was agreed that the ESAs will further discuss, with the aim of finding a convergent approach.
43. The presentation concluded with an overview of the work planned and the next steps in view of the delivery to the Commission of the progress report by end May 2023 and of the final report by end May 2024.

DECISION

44. Not applicable.

CONCLUSIONS AND ACTION POINTS

45. EIOPA to continue discussions with BoS and amongst the European Supervisory Authorities (ESAs) in refining the scope of greenwashing, including by better explaining the difference between sustainability risk claims and sustainability impact claims, in view of the May 2023 deadline. This with the view of ensuring insurance and pension specificities are duly considered whilst also ensuring consistency across the ESAs.
46. EIOPA to submit the final progress report on greenwashing in May 2023 via written procedures, for BoS approval.

AGENDA ITEM 4: REPORT ON MARKET AND CREDIT RISK COMPARATIVE STUDY

47. EIOPA staff presented the evolution of the Market and Credit Risk Comparative Study and the YE2021 report. Among others, the main objectives were explained as well as how comparative studies contribute to sound supervision and supervisory convergence. Several members

highlighted the value-added of the exercise. Members also indicated that when starting a follow up or comparable exercise it would be important to do an ex-ante impact assessment to ensure efficient use of resources..

DECISION

48. The BoS adopted, by consensus, the '2021 Report on Comparative Study on Market and Credit Risk Modelling (EIOPA-BoS-23/113, 13 March 2023)'.

CONCLUSIONS AND ACTION POINTS

49. EIOPA to publish the 2021 Report on Comparative Study on Market and Credit Risk Modelling on the EIOPA website.

AGENDA ITEM 5: REPORT ON SUPERVISORY ACTIVITIES IN 2022

50. EIOPA staff presented the Report on Supervisory Activities in 2022 for approval, highlighting the main deliverables.
51. The report was welcomed by BoS.

DECISION

52. The BoS adopted, by consensus, the 'Report on Supervisory Activities in 2022 (EIOPA-BoS-22/557, 10 March 2023)'.

CONCLUSIONS AND ACTION POINTS

53. EIOPA to publish the Report on Supervisory Activities in 2022 on the EIOPA website.

AGENDA ITEM 6: SECOND SUPTECH PROGRAM

54. EIOPA staff presented the second SupTech program, which includes the proposal to develop two projects during the next years: a natural language processing tool applied to the Solvency and Financial Condition Report with a multilingual Solvency II term base and two interrelated data quality projects: a rule miner and a flexible platform to run and test validations.
55. Members were also updated regarding the status of SupTech knowledge sharing initiative such as the code sharing platform, the annual seminar on SupTech and use of data and the new Supervisory Digital Finance Academy (a COM Technical Support Instrument flagship initiative aiming to support financial supervisory authorities coping with the risks and opportunities offered by advanced technologies in the financial sector).
56. It was also clarified that the analysis of the projects is performed by dedicated teams of NCA and EIOPA experts, while the development is managed as an EIOPA project, leaving a coordination role for the dedicated SupTech teams.

DECISION

57. The BoS adopted, by consensus, the projects proposed under the 'Second SupTech Program (EIOPA-BoS-23/101, 23 January 2023)'.

CONCLUSIONS AND ACTION POINTS

58. BoS agreed to promote two projects. First, the project on Natural Language Processing (NLP) tool applied to SFCRs complemented with a Multi-lingual Solvency term base containing all terms from the Solvency 2 XBRL taxonomy to enable the use of both qualitative and quantitative information. Second, the development of a platform to perform and gather validations that allow flexible validation management and a rule miner in an open-source package to discover underlying data patterns in datasets and to automatically generate large sets of potential validation rules, both to improve data quality.

AGENDA ITEM 7: DIGITAL OPERATIONAL RESILIENCE ACT

59. EIOPA staff presented the current JC SC DOR composition, highlighting that more than 40 authorities are Members, 5 are Observers and 10 provided Contact Points.
60. It was also highlighted that the working pace is based on five major principles: (i) momentum, (ii) pragmatism, (iii) quality of products, (iv) proportionality and (v) stakeholders' engagement.
61. The Members were informed on the scope of the work and the next steps with emphasis on three more immediate milestones for the approval of the first deliverables.
62. Members showed support for the work done so far, praising the good results achieved, the commitment besides the high time pressure but highlighted the need to properly embed proportionality in the policy mandates, also considering where possible the joint ESAs ACP advice on proportionality under development.
63. Some members indicated that they would like to receive information earlier, asking about the governance of the project. The Chairperson indicated that for this work there the supervisory dialogue is organized through the JC SC DOR and its workstreams, so good interaction with the NCA representative in that workstream should support receiving information earlier.
64. In relation to the policy mandate stemming from Article 21 on a feasibility report for on single EU Hub for major ICT-related incidents, Members noted that such a report should define the business case and take into consideration that NCAs may need to start moving forward with their IT plans soon.

DECISION

65. Not applicable.

CONCLUSIONS AND ACTION POINTS

66. The Chairperson underlined the importance for NCAs to have representatives participating actively in the JC context of the JC SC DOR work and for BoS Members to liaise with their respective JC SC DOR Member.
67. BoS noted that proportionality should be properly embedded in the policy mandates, also considering where possible the joint ESAs ACP advice on proportionality.
68. EIOPA to provide an update in the next BoS in June, including the results of the Third-Party Providers cross-sectoral exercise.

AGENDA ITEM 8: CREDIT QUALITY DOWNGRADE: IMPACT OF WIDESPREAD DOWNGRADE OF DEBT OF SENSITIVE SECTORS

69. The Head of the Risks and Financial Stability Department presented the analysis of the potential impact on a widespread downgrade of debt of sensitive sectors. In particular, the work focuses on energy intensive sectors. EIOPA also presented the comments received from the RFSC on the work.
70. Members welcomed the presentation. If the work is to be included in the FSR, it is important to make sure the caveats are clear to avoid misinterpretations by the public.

DECISION

71. Not applicable.

CONCLUSIONS AND ACTION POINTS

72. BoS welcomed the presentation and the work done.

AGENDA ITEM 9: CRYPTO ASSETS IN INSURANCE: POSSIBLE NEXT STEPS

73. EIOPA staff presented the work done over the past years on crypto assets monitoring.
74. Members were informed that, when surveying NCAs on the presence of these use cases in each jurisdiction, most responses reported no or extremely limited presence in their jurisdictions. It was also highlighted that the survey was complemented by an analysis of Solvency II data and materiality remained very low between 2020 and 2022.
75. EIOPA staff presented the different perspectives that EIOPA work could take moving forward considering consumer protection, prudential aspects, and accounting issues, on top of EIOPA's contribution needed for the implementation of MiCA i, where cross sectoral and potential contagion issues should be assessed and monitored.
76. Members supported further EIOPA work on monitoring, including the potential use of crypto assets for payment of premiums, and possible contagion issues that could arise, for instance, as a result of insurance coverage provided to crypto asset service providers.

DECISION

77. Not applicable.

CONCLUSIONS AND ACTION POINTS

78. EIOPA to continue monitoring activities, with special attention to MiCA's implementation and possible changes it can bring to the picture.
79. EIOPA to embed the results of the Digitalisation Market Monitoring Survey in the monitoring process.
80. EIOPA to further assess impacts of MiCA in the insurance and occupational pensions sector upon its application.

AGENDA ITEM 10: CLIMATE CHANGE RISK DISCUSSIONS IN COLLEGES OF SUPERVISORS

81. EIOPA staff summarised the work done on the supervision of climate change.
82. EIOPA highlighted the process followed during the climate change – related supervisory discussions held during 2021 and 2022, which included a presentation on the latest regulatory developments and a review of the climate change risk assessment in the ORSA.
83. A particular focus has been given to the overview of findings and conclusions, during which EIOPA presented its assessment of the main risks and vulnerabilities of the sectors according to the discussions held, further implemented by the findings of the off-site monitoring.
84. EIOPA mentioned the upcoming project on the monitoring of the EIOPA opinion on climate change, whose project plan and details will be discussed in Q3 with SSC.
85. BoS showed support for the work and shared the assessment of the risks identified.
86. BoS suggested to carefully consider the potential effort that the project of monitoring the EIOPA opinion could require from NCAs.
87. BoS highlighted that despite the high impact of physical risk, also transition risk might pose a risk for undertakings which are experiencing high transition costs.

DECISION

88. Not applicable.

CONCLUSIONS AND ACTION POINTS

89. BoS welcomed the updates on climate change supervisory activities and took note of EIOPA's approach to the monitoring of the application of the opinion.

AGENDA ITEM 11: AOB

DECISION

90. Not applicable.

CONCLUSIONS AND ACTION POINTS

91. Not applicable.

ANNEX: LIST OF DECISIONS ADOPTED BY WRITTEN PROCEDURE FROM 02.02.2023 TO 27.03.2023

BOS-2023-10

92. Decision adopting, by consensus, the Final Minutes of the 82nd Board of Supervisors meeting held on 31 January – 1 February 2023.

BOS-2023-11

93. Decision adopting, by consensus, the Supervisory Statement on Differential Pricing Practices in non-life insurance lines of business.

BOS-2023-13

94. Decision adopting, by consensus, Final Minutes of the 83rd extra-Board of Supervisors meeting held on 2 March.

Participants at the Board of Supervisor's Meeting via Videoconference**28 March 2023****Chairperson:** Petra Hielkema

<u>Country</u>	<u>Voting member/ Alternate</u>	<u>Accompanying Experts</u>
Austria	Peter Braumüller/[-]	Gerlinde Taurer
Belgium	Steven Vanackerer/Dieter Hendrickx	
Bulgaria	Vladimir Savov/[-]	
Croatia	Ante Žigman/ Ilijana Jeleč	
Cyprus	Antonia Tsangaris /Constantinos Kalopsidiotis	
Czech Republic	Zuzana Silberová /Jiří Kalivoda	Hana Marčíková
Denmark	Carsten Brogaard/[-]	
Estonia	Siim Tammer [-]/	
Finland	[-]/Teija Korpiaho	
France	Patrick Montagner/[-]	
Germany	Frank Grund/[-]	
Greece	Stavros Konstantas /Ioannis Chatzivasiloglou	
Hungary	Koppány Nagy/[-]	
Ireland	Domhnall Cullinan/[-]	Christopher Joyce
Italy	[-]/Alessia Angelilli	
Latvia	[-]/Marina Sala (PoA)	
Lithuania	[-]/ Marius Dumbauskas	
Luxembourg	[-]/Yves Baustert	Valérie Scheepers
Malta	Ray Schembri /Luciano Micallef	
Netherlands	[-]/ Armand Schouten	
Poland	Damian Jaworski/ Mariusz Smętek	
Portugal	Margarida Corrêa de Aguiar/Hugo Borginho	Ana Byrne
Romania	[-]/Valentin Ionescu (PoA)	Beatrice Verdes
Slovakia	Júlia Cillíková/[-]	Michal Bozek
Slovenia	Goraz Čibej/ Mojca Rome	
Spain	Sergio Alvarez / Javier Castillo García	
Sweden	Åsa Larson/Bertil Sjö	

FINAL MINUTES

<u>Country</u>	<u>Permanent Representative/ Alternate</u>	<u>Accompanying Experts</u>
Belgium	Henk Becquaert/[-]	
Cyprus	[-]/[-]	
Ireland	[-]/[-]	
Italy	[-]/Ambrogio Rinaldi	

<u>EEA EFTA Country</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
Iceland	Gísli Óttarsson/Jonas Thor Brynjarsson	
Liechtenstein	Alexandre Imhof/[-]	
Norway	Ann Viljugrein/[-]	

<u>Institution</u>	<u>Non-Voting Member/ Alternate</u>	<u>Accompanying Experts</u>
European Commission	Martin Merlin/[-]	Gabriela Diezhandino
ESMA	Natasha Cazanave/[-]	
EBA	Francois-Louis Michaud/[-]	Adrien Rorive
ESRB	Francesco Mazzaferro/[-]	
EFTA	[-]/[-]	Marta Margret Runarsdottir
<u>Observers</u>	<u>Representative</u>	<u>Accompanying Experts</u>
N/A	[-]/[-]	

EIOPA Staff

Executive Director	Fausto Parente
Head of Corporate Affairs Department	Susanne Rosenbaum
Head of Consumer Protection Department	Valerie Mariatte-Wood
Head of Policy Department	Justin Wray
Head of Risk and Financial Stability Department	Dimitris Zafeiris
Head of Oversight Department	Patrick Hoedjes
Head of Supervisory Processes Department	Ana Teresa Moutinho